



AFGHANISTAN DIGITAL CONNECTIVITY BRIEF

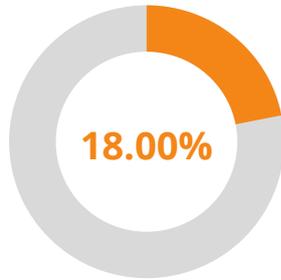


Country overview

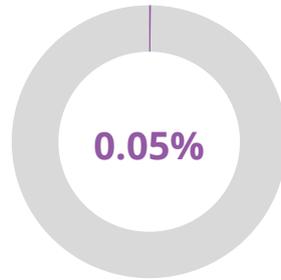
Afghanistan has a little over thirteen percent of its population connected to the internet. The penetration of mobile internet is 18.0%, and fixed broadband penetration stands at 0.05%.



ONLINE POPULATION
Source: ITU, 2019

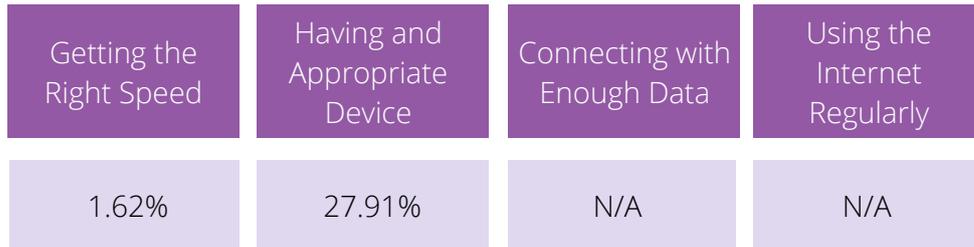


MOBILE BROADBAND PENETRATION
Source: GSMA, 2020



FIXED BROADBAND PENETRATION
Source: A4AI from ITU, 2019

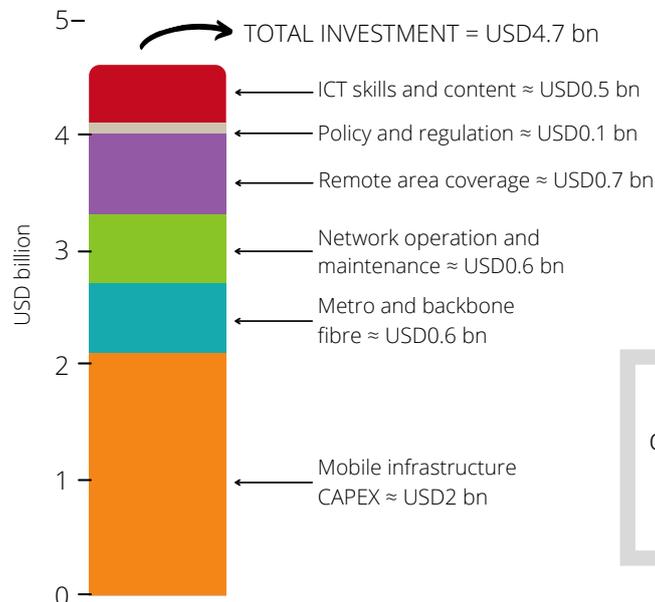
Dimensions of Meaningful Connectivity



Source: GSMA, 2020

A meaningful connectivity to the internet implies having access to an appropriate device, enough data and speeds, and using the internet every day. Less than 2% of people in Afghanistan have access to 4G compatible speeds, and only 27.91% have access to smartphones, which are considered to be appropriate devices.

Investments needed by 2030



Universal access is defined based on 90% of the population of 10 years and above

Source: A4AI from ITU, GSMA, A4AI, operator and regulator, 2019

ICT Affordability

AS A % OF GNI P.C.

MOBILE

1GB = 5.46%

2GB = 8.49%

5GB = 10.31%

Source: A4AI, 2020

FIXED

5GB = 15.20%

Source: A4AI & ITU, 2020

DEVICE

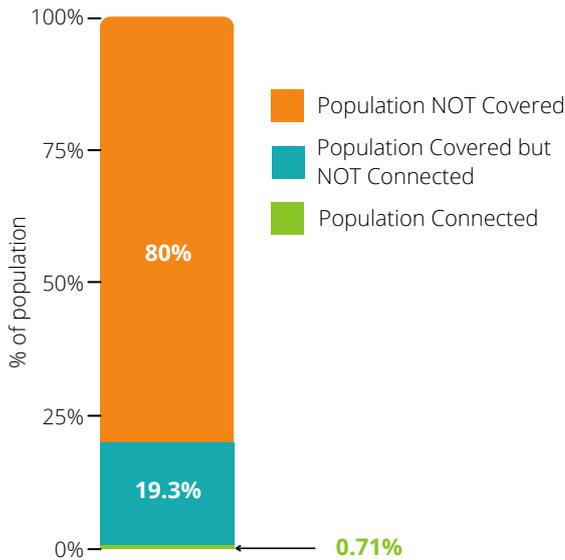
SMARTPHONE

3.46%

Source: A4AI, 2020

Afghanistan does not meet the affordability target established by the United Nations Broadband Commission, as 1GB corresponds to 5.46% of the monthly average income in the country. 5GB of fixed broadband is at 15.20%, while 5G of mobile broadband represents 10.31% of the monthly average income. Smartphone affordability is at 3.46% of monthly income. The country ranks 60th (out of 72 countries surveyed) on A4AI's Affordability Drivers Index, (ADI).

Investments needed by 2030



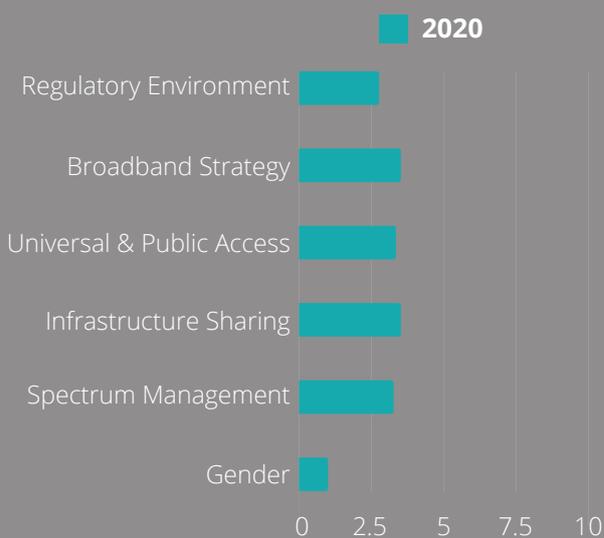
Source: A4AI from GSMA, Xalam and UN population data, 2019

As shown in the figures, 80% of the population in Afghanistan lives in areas which simply have no coverage, and 19.3% are covered but not connected. Analysis conducted by A4AI to estimate the investments needed to connect the population of Afghanistan to the internet by 2030, shows that almost half of the total investments relate to mobile infrastructure capital expenditure (CapEx), which implies that infrastructure deployment is still one of the most pressing issues in the country. Nonetheless, costs are also associated with fiber deployment, network operation and maintenance, remote area coverage, as well as costs associated with building necessary ICT skills and relevant content. Costs associated with policy and regulatory upgrades are also important but are less representative.

THE ADI AFFORDABILITY DRIVERS INDEX

The ADI is a tool developed by A4AI to assess how well a country's policy, regulatory, and overall supply-side environment is positioned to lower industry costs and ultimately create more affordable broadband. ADI scores countries across two main policy groups: Infrastructure and Access

Policy Scores



2020 Affordability Drivers Index (ADI)

ADI Score = 37.44

Access Score = 34.65

Infrastructure Score = 36.50

Source: A4AI, 2020

Policy Highlights

- Regulatory environment**

↑ The Telecom Law establishes that issuance of licenses shall be conducted through a bidding process. While this has not been practiced in the past, there is an expectation that competitive processes will start being implemented.
- Infrastructure sharing**

↑ The policy and regulatory framework is relatively new and somewhat advanced in regards to some areas, such as, infrastructure sharing. However, implementation is a concern.
- Universal and public access**

↑ Until recently, broadband infrastructure was not among the uses of the Telecom Development Fund (TDF). There were some changes to this scenario over the past years, indicating positive developments.
- Regulatory environment**

↓ There is an outdated licensing framework, with little flexibility as far as uses of new technologies, convergence, and spectrum management. Institutional capacity remains a concern and must be addressed.
- Broadband Strategy**

↓ No Broadband Plan or strategy has been adopted to this date. A policy draft is being developed, but it has not formally been adopted yet.
- Universal and public access**

↓ Despite some recent legal and regulatory changes, the Telecom Development Fund (TDF) is mostly used towards voice only, not broadband access. This and other issues represent barriers to properly implementing universal access actions.